



THE NATION'S WHEAT SUPPLY

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A radio talk by George A. Farrell, in charge, Western Region, Agricultural Adjustment Administration, broadcast Thursday, June 2, 1938, in the Department of Agriculture portion of the National Farm and Home Hour by the National Broadcasting Company and a network of 90 associated radio stations.

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KADDERLY:

Today we bring you a report on the 1938 wheat crop and what it means to the nation. George E. Farrell has just returned from a trip to the west. There he saw the green fields of growing wheat, which will soon be golden and ready for harvest, and he talked with farmers about the problems which this new crop is creating. Mr. Farrell directs the farm program in the western States, where wheat is a major cash commodity. Reporting to us on the wheat situation, Mr. George E. Farrell.

FARRELL:

In my years of traveling for the United States Department of Agriculture, I have not seen better looking wheat than I have just seen in the fields from coast to coast.

If nothing happens to the growing crop, we are going to have one of the biggest supplies of wheat in our history. Hail, hot winds, blackstem rust, or grasshoppers still could cut the yield. But spring rains in the late producing States could increase the crop even beyond present expectations.

The wheat you see as you travel across the country is not confined to the well-watered sections where you'd expect to see it any year. It's green and growing in the drought areas--in western North Dakota and eastern Montana, where the farmers haven't had a crop in 5 years.

There is bound to be plenty of wheat this year. All indications point to a surplus, barring a national catastrophe. Right now, the farmer isn't worried about how to make the crop grow. He's worried about how to get a decent price, how to get back what it cost him to grow the crop and enough to keep his family.

The farmer grows wheat to make a living. It's true he likes the sight of it waving in the breeze; he's proud to get a high yield; and he's happy if he can produce the full, heavy grain that buyers are eager to get. But a supply in excess of domestic consumption and exports turns the joy that might come from a large crop into apprehension.

It is very easy in years of good weather for wheat farmers to produce a surplus and ruin their prices. In the first place, there's a lot of good wheat land in the country. Much of it was plowed for the first time when the people of other countries were eager to buy our wheat, and when wartime slogans proclaimed that WHEAT WOULD WIN THE WAR. When the war ended and the people in other countries couldn't buy our wheat, we kept right on producing--even plowed more land for wheat. And this year we've got 80 million acres of it--not much less than the all-time high, planted last year.

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Meanwhile efficient farmers bought more efficient machinery: Tractor-powered plows that cover 20 to 25 acres of land a day--a far cry from 4 or 5 acres a day in the days of horse-farming, and every farmer knows about the progress the combine has brought to the harvesting of grain.

With these new, efficient machines came the ability to produce more wheat, and at the same time, the machines displaced horses and mules which used to eat the product of 25 to 30 million acres. Now those 25 to 30 million acres are available to produce surplus wheat and surplus corn.

There's a popular fancy, I know, that if all the hungry mouths were fed, there wouldn't be any surplus. But that isn't a fact. If every hungry person in the nation had his fill of bread and other wheat products all year, we would use only about 500 million bushels for food. Our total domestic consumption and exports would be far less than the total supply that's in prospect--a total supply of more than a billion 100 million bushels.

Let me outline briefly the wheat price situation as it looks now. Early last summer, wheat farmers had a fair-sized crop and reasonably good prices. This summer they face the prospect of a larger crop, more than twice the average carryover, and lower prices.

Since April, 1937, wheat prices have fallen more than 50 cents a bushel. This is the price situation only 3 weeks before farmers are commencing harvest of what will probably be a bumper crop.

The United States will be in the world wheat market--aggressively--seeking to export as much as possible. We expect to compete successfully with other exporting countries, but tariffs and other trade barriers limit the market. Part of the wheat we'd like to export undoubtedly will stay home.

Fortunately, this year the United States is starting an ever-normal granary and a crop insurance program that can put a sizeable surplus to good use. Farmers who want to insure next year's wheat crop against all natural hazards can do so by paying to the Federal Crop Insurance Corporation a certain amount of wheat. The Corporation will store the wheat and pay losses to insured farmers next year. Furthermore, the government in accordance with the new Farm Act probably will offer loans to enable farmers to hold some wheat off the market for later use. Loans and crop insurance reserves will start the ever-normal granary of wheat. It looks now as if the granary will be full and over-flowing.

Therefore, the farm program will offer farmers a chance to work together at planting time this summer and next spring, to prevent another surplus. Another surplus would cause the government to lose money on the loans granted this summer and would mean low prices to producers.

I talked with many wheat farmers on my recent trip. They reassured me on several points. First, they realize what problems they face; second, they want and need the government loans this year; third, they are planning to adjust their acreage next year to help protect the loans and to help protect their prices, but fourth, they plan to keep the ever-normal granary full.

In other words, they plan to assure consumers of always-abundant wheat, and they plan to protect themselves against poverty and distress.

As individuals, they are powerless to achieve these aims. Working together they can succeed.

KADDERLY:

Thank you, Mr. Farrell. Farm and Home listeners, George E. Farrell, director of the Triple-A Western Division, has given you his views on some current wheat problems and the efforts by farmers and government to meet those problems.

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